

#### **d.) Remarks**

In the instant Action, the Action Summary notes that claims 1-14 stand rejected, and no claims are indicated as allowable. However, it is noted that claims 1-4, 9-12 and 14 are rejected under §102 over Ikeda, and claims 5-8 stand rejected under §103 over the same reference. It is apparent that claim 13 is not rejected over the art, nor for any formal reasons. Following the dictates of §102 (“A person shall be entitled to a patent unless -...” ) it is asserted that claim 13 is therefore allowable and patentable.

The Ikeda patent describes an online shopping facility that provides connection to a plurality of online vendors of goods and services. Ikeda awards points for each transaction conducted through its web site, based on a points/dollar ratio established for each vendor. Ikeda also keeps an account of points so awarded, for each online vendor. When a shopper chooses to do so, s/he may reduce the cost of an item offered by one of the online vendors by ‘spending’ points accumulated by previous purchases from that online vendor, and may, optionally, spend points from other online vendors.

The distinctions of the present invention over Ikeda include the following. Ikeda counts points for each shop, whereas the present invention instead sums the total dollar spent through our web site. Thus Ikeda is necessarily involved in a far more intricate bookkeeping operation. This task is complicated by the fact that Ikeda provides connection to many online shops, but not all are points providers.

In the present arrangement, all shops that a user may click-through to are providers of frequent flyer miles or the like.

Ikeda reduces the price for items being bought in exchange for points being deducted from user's account, and thus provides immediate redemption. The present invention does not enter into the sales transactions that are conducted through Milesmall. The invention does not keep track of points being accumulated or spent during an ongoing transaction. Rather, it relies on the e-mail connection established through its website to obtain verification of a completed transaction, whereafter miles or points are awarded based on the amount of the transaction. In Milesmall, miles are not necessarily used to buy goods from participating on line shops, Rather, Milesmall awards and redeems frequent flyer miles, and acquires the miles by purchase from airlines or their agents.

These distinctions are indicative of distinctly different business models implemented by Milesmall and Ikeda. The Milesmall website provides a page that enables the shopper to access participating vendors only, and then permits browsing of the vendor's goods and services. The web server returns a http redirect command with a URL referring to the vendor site. This URL contains imbedded information about the user and that the user connected to the vendor site through a link at Milesmall.com. When the user makes a purchase from a vendor's web site, the purchase procedure is carried out bi-directionally between the user's computer and the vendor and the purchase steps are carried out as required by the vendor's web site presentation. The user automatically provides the Milesmall

account name whenever an e-mail address is requested during the purchase routine. When the transaction is completed the vendor sends an e-mail confirmation of the order placement. Because the user provided his Milesmail.com e-mail address, the e-mail actually goes to the Milesmail mail server. The purchase data is stored in the Milesmail database, and the e-mail is forwarded to the buyer as confirmation. The system then credits the user's account according to the purchase total and the number of points per dollar assigned to the web site.

It is significant that the use of the e-mail facility in this way by the present invention enables Milesmail to allow browsing and purchasing from participating vendors while eliminating the data processing overhead involved in real-time tracking of purchase points, valuation of purchase points, and redemption of purchase points at each vendor who issued them. In the present invention business model, the awarding of miles (points) and their redemption is carried out after the transaction(s) are successfully concluded.

It is also very significant that the use of the e-mail facility enables the participating vendors to conduct business transactions in their own manner and style, without any interference or modification by the website of the invention.

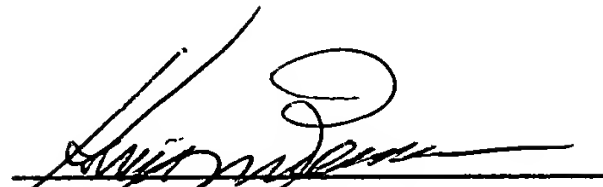
The claims have been amended to particularly point out the distinctions discussed above. Claim 1 now states that all of the vendors listed by the program website are participating vendors, unlike the Ikeda system. It also states that each registered user uses the e-mail address of the program web site during each

purchase transaction with a web site of one of the participating vendors. Further, it states that each purchase is reported to the program website via e-mail after the transaction is completed. None of these features are described or suggested by Ikeda, and it is these features that enable the invention to provide an online shopping facility that has a low data processing overhead, and which does not modify nor interfere with the vendors' transaction processing or presentation. These recitations render claim 1 allowable.

Claims 4-6 have been canceled, and all remaining claims (2, 3, 7-12 and 14) further define the patentable method of claim 1 and are therefore also allowable. Claim 13 has been amended to independently state the original recitation (which has not been rejected) in an independent form, including the limitations of the original intervening claims.

It is asserted that all claims now presented are allowable, and that this application is in condition to be issued. Action toward that end is earnestly solicited.

Respectfully Submitted,



Harris Zimmerman, Esq.  
Registration No. 16,437  
Attorney for Applicant  
Law Offices of Harris Zimmerman  
1330 Broadway, Suite 710  
Oakland, California 94612  
(510) 465-0828  
Harris@zimpatent.com

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